

MEMORANDUM

July 7, 2014

TO: Supervisor Mark Nicotra

CC: Robert D. Ventre, Esq.
Christopher Burns, Ph.D., P.G.

FROM: Frank C. Pavia

RE: Lower Ley Creek Disposal Proposal - Detail of Future Operations and
Maintenance Costs

The Town of Salina has submitted a proposal to the U.S. Environmental Protection Agency ("EPA") to accept dredged sediments from the Lower Ley Creek subsite into the former Town of Salina Landfill (the "Landfill"). One condition of the Town's proposal was to be compensated for the present worth estimate of the future operations and maintenance costs that will be required for the Landfill. The attached table has been prepared by CHA and provides a detailed breakdown of the projected total operations and maintenance costs for the Landfill. In preparing this breakdown, CHA completed a present worth calculation assuming a rate of 8%.

The table below was previously presented to the N.Y. State Department of Environmental Conservation and EPA as part of the cost estimates CHA provided to support the issuance of the Record of Decision for the Landfill. The table has been modified as the design for the pretreatment plant was optimized and the Environmental Monitoring Plan was developed.

The estimated \$2.7 million is the total present worth of future operations and maintenance costs for the Landfill. EPA has indicated a willingness to pay for the cost of future operations and maintenance associated with disposal of dredged sediments into the Landfill. As we understand the Town Board's current instructions, an important condition of the willingness by the Town to assume the responsibility for the dredged sediments in perpetuity is its recovery of the present value of the projected operations and maintenance costs for the Landfill. Therefore, the Town would anticipate that these costs would be paid by both funds received from the GM bankruptcy estate, and funds contributed by the various PRPs to the Lower Ley Creek subsite.

SALINA LANDFILL ESTIMATED POST-CLOSURE COSTS					
Estimate Prepared 2/26/2013					
Years 1-5					
Item Description	Unit	Unit Cost	Quant.		Comments
Environmental Monitoring	YR	\$52,510.00	1	\$52,510.00	Includes laboratory, labor & reporting costs
	Annual Cost			\$52,510.00	
	Subtotal Present Net Worth			\$215,301.37	
Years 6-7					
Item Description	Unit	Unit Cost	Quant.		Comments
Environmental Monitoring	YR	\$28,010.00	1	\$28,010.00	Includes laboratory, labor & reporting costs
	Annual Cost			\$28,010.00	
	Subtotal Present Net Worth			\$50,642.59	
Years 8-10 and Year 15, 20, 25, and 30					
Item Description	Unit	Unit Cost	Quant.		Comments
Environmental Monitoring	YR	\$15,760.00	1	\$15,760.00	Includes laboratory, labor & reporting costs
	Annual Cost			\$15,760.00	
	Subtotal Present Net Worth			\$84,935.20	
Years 1-30					
Item Description	Unit	Unit Cost	Quant.		Comments
Landfill Cap and Monitoring					
Mowing of Cap	YR	\$2,000.00	1	\$2,000.00	
Snow Removal	YR	\$2,000.00	1	\$2,000.00	
Annual repairs to cap/fence/access roads	YR	\$2,000.00	1	\$2,000.00	
Leachate Pre-treatment Plant					
Labor, Utilities, Materials & Maintenance	Month	\$9,850.00	12	\$118,200.00	
OCDWEP Charge for Metro WWTP Treatment	Unit	\$358.68	65.18	\$23,378.76	Unit = 140,000 gallons, so 25,000 gpd*365 days per yr/ 140,000 gallons = 65.18 units
Laboratory Testing (25,000 gpd)	Month	\$1,290.00	12	\$15,480.00	
Carbon	Month	\$1,000.00	12	\$12,000.00	
Bag Filters	Month	\$1,000.00	12	\$12,000.00	
Dewatered Sludge Hauling & Disposal	Ton	\$500.00	1	\$500.00	
Collection Trench/Force Main Cleaning	YR	\$3,000.00	1	\$3,000.00	Assume \$1,000 for engineering oversight & \$2,000 for subcontractor
	Annual Cost			\$190,558.76	
	Subtotal Present Net Worth			\$2,364,651.53	
Total Present Net Worth				\$2,715,530.69	